

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 7587**

**BILL NUMBER:** SB 558

**NOTE PREPARED:** Jan 17, 2007

**BILL AMENDED:**

**SUBJECT:** Fireworks.

**FIRST AUTHOR:** Sen. Mrvan

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:** ☒ **GENERAL**  
☒ **DEDICATED**  
☐ **FEDERAL**

**IMPACT:** State & Local

**Summary of Legislation:** The bill revises the dates that consumer fireworks may be used. It provides that a person who recklessly, knowingly, or intentionally sells (1) sky rockets or bottle rockets; or (2) consumer fireworks to a person less than 18 years of age; commits a Class A misdemeanor. The bill provides that a person who recklessly, knowingly, or intentionally ignites, discharges, or uses sky rockets or bottle rockets commits a Class A misdemeanor. It also provides that the State Fire Marshal (SFM) must revoke any certificate of compliance for the sale of fireworks issued to a person who has been convicted of certain crimes.

**Effective Date:** July 1, 2007.

**Explanation of State Expenditures:** The State Fire Marshal must revoke all certificates of compliance for a person who has been convicted of using sky rockets or bottle rockets; violating statutes pertaining to the possession, transportation, or delivery of special fireworks; or possessing, manufacturing; or distributing a destructive device. The SFM may not issue another certificate of compliance to the person. This provision should have an insignificant impact on the administrative expenses of the SFM.

**Explanation of State Revenues:** *Sales Tax Revenue:* The bill could affect revenues collected by the Department of Revenue (DOR) if limiting the use and sale of fireworks results in less sales tax collected on fireworks. From January through October 2006, an estimated \$2.6 M in Sales Tax had been collected on the sale of fireworks. Sales tax revenue is distributed as follows:

49.192% to the state General Fund  
50% to the Property Tax Replacement Fund  
0.635% to the Public Mass Transportation Fund

0.033% to the Industrial Rail Service Fund  
0.14% to the Commuter Rail Service Fund.

*Public Safety Fees.* The bill could affect revenues collected by the DOR if limiting the use and sale of fireworks results in less public safety fees collected on fireworks. From January through October 2006, the DOR had collected \$2.2 M in public safety fees. The specific impact is indeterminable.

*Background on Public Safety Fees:* HEA 1099-2006 provided that a public safety fee must be imposed on retail transactions made in Indiana of fireworks. Persons who acquire fireworks in a retail transaction are liable for the fee on the transaction and must pay the fee to the retailer. Revenue from the fee is deposited in the state General Fund.

*Class A Misdemeanor:* The bill provides that a person who recklessly, knowingly, or intentionally sells, ignites, discharges, or uses sky rockets or bottle rockets commits a Class A misdemeanor. If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class A misdemeanor is \$5,000. Criminal fines are deposited in the Common School Fund.

*Class C Infraction:* The bill limits to ten the number of days on which a person can use consumer fireworks. A person who violates this provision commits a Class C infraction. If additional court cases occur and infraction judgments and court fees are collected, revenue to the state General Fund may increase. The maximum judgment for a Class C infraction is \$500, which is deposited in the state General Fund.

If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee for a misdemeanor (or \$70 in the case of an infraction) that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund. In addition, some or all of the judicial salaries fee (\$15), the public defense administration fee (\$3), the court administration fee (\$2), the judicial insurance adjustment fee (\$1), and the DNA sample processing fee (\$1) are deposited into the state General Fund.

**Explanation of Local Expenditures:** The bill limits the use of fireworks. Local units could experience a decrease in expenditures for public safety and emergency medical services that could result from the reduced use of fireworks. The Indiana State Department of Health tracked fireworks injuries during 2003 and 2004. During that time, 454 injuries were reported statewide. The proposal could also reduce expenditures associated with local inspections and re-inspections of vendors and displays. The specific impact on local expenditures is indeterminable and would vary by location. Enforcement and inspection expenses would be minimal.

*Class A Misdemeanor:* A Class A misdemeanor is punishable by up to one year in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

**Explanation of Local Revenues:** *Class A Misdemeanor and Class C Infraction:* If additional court actions are filed and a judgment is entered, local governments would receive revenue from the following sources. The county general fund would receive 27% of the \$120 court fee for a misdemeanor (or \$70 in the case of an infraction) that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. Additional fees may be collected at the

discretion of the judge and depending upon the particular type of case.

**State Agencies Affected:** DOR; DHS.

**Local Agencies Affected:** Local public safety and emergency medical services agencies; Trial courts; Local law enforcement agencies.

**Information Sources:** DOR; DHS.

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